

## Message Text

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AID-20 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 STR-08 CEA-02 AGR-20 MC-02 CU-04

RSR-01 FMC-04 /183 W

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R 270907Z JUL 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 9185

C O N F I D E N T I A L SECTION 1 OF 3 SEOUL 4953

E.O. 11652: GDS

TAGS: OVIP, KS

SUBJECT: DENT VISIT

REF: SEOUL 4728

BEGIN SUMMARY: DENT VISIT GENERALLY SUCCEEDED IN FOCUS-  
ING ATTENTION OF AUTHORITIES OF BOTH COUNTRIES ON NUMBER  
OF COMMERCIALLY SIGNIFICANT ISSUES IN U.S.-KOREAN RE-  
LATIONSHIP, BUT ALL OTHER ISSUES AT FIFTH COMMERCE  
MINISTERS MEETING WERE OVERSHADOWED BY DRAMATIC EMERGENCE  
OF U.S. EXPORT LICENSING SYSTEM AS CENTRAL ISSUE FOR KOREANS.  
INSISTENCE ON EXCEPTIONAL TREATMENT HIGHLIGHTED KOREAN  
PUBLIC EXPECTATION, WAS REITERATED TO DENT IN ALL OFFICIAL  
CONTACTS, KEPT REAPPEARING AT MEETING ITSELF, AND  
DOMINATED POST MEETING PRESS CONFERENCE. ISSUE DE-  
LAYED AGREEMENT ON LANGUAGE OF JOINT COMMUNIQUE UNTIL  
WEE HOURS OF MORNING PRECEDING FINAL MEETING.  
FORTUNATELY, SECRETARY DENT'S ADROIT OFFICIAL AND  
PUBLIC STATEMENTS, TOGETHER WITH BLURRED PROMISE OF  
JOINT COMMUNIQUE HEADED OFF WHAT SOME KOREAN OFFICIALS  
DESCRIBED AS CRISIS OF CONFIDENCE IN SPECIAL U.S. RE-  
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LATIONSHIP. IN AFTERMATH OF MEETING, EMBASSY AND

COMMERCE WILL BE BUSY MAINTAINING PRESSURE ON KOREAN GOVERNMENT FOR SOLUTION OF WIDE VARIETY OF ISSUES DEFINED FOR MEETING BUT LEFT UNRESOLVED. END SUMMARY.

1. ATMOSPHERE OF MEETING WAS INEVITABLY ONE OF ACUTE KOREAN EXPECTATION. ANNOUNCEMENT OF U.S. EXPORT LICENSING SYSTEM, INCLUDING COMMODITIES ON WHICH KOREAN ECONOMY HEAVILY DEPENDS, COME JUST AT TIME PRESS WAS MAKING PUBLIC AWARE OF FORTHCOMING DENT VISIT. CONVICTION QUICKLY GREW IN KOREAN PRESS, PUBLIC AND OFFICIALDOM THAT U.S. (DENT) COULD BE PERSUADED TO MADE EXCEPTION IN LICENSING APPLICATION IN VIEW OF KOREA'S MODEST REQUIREMENTS AND SPECIAL U.S.-KOREAN RELATIONSHIP. EXPECTATIONS FURTHER HEIGHTENED FOUR DAYS BEFORE MEETING BY UNPRECEDENTED PERSONAL PLEA TO AMBASSADOR BY LEADERS OF ASSOCIATIONS REPRESENT- IN ENTIRE KOREAN BUSINESS COMMUNITY. ON EVE OF CONFERENCE PROMINENT MEMBER OF KOREAN DELEGATION TOLD US THAT UNLESS SECRETARY DENT HAD SOME CONCESSION IN HIS POCKET THE CONFERENCE MIGHT JUST AS WELL BE ABANDONED. FORTUNATELY, LAST MINUTE DECISION OF SECRETARY OF STATE TO VISIT KOREA ALONG WITH SECRETARY DENT DISTRACTED A PORTION OF PUBLIC AND OFFICIAL ATTENTION WHICH WOULD HAVE BEEN FOCUSED ON EXPORT LICENSING ISSUE.

2. CONFERENCE, ASIDE FROM SCARCE COMMODITIES ISSUE, PROCEEDED RAPIDLY AND WELL. SECRETARY DENT AND MCI MINISTER ABSENTED THEMSELVES EXCEPT FOR FORMAL OPENING AND CLOSE. AGENDA WAS COVERED IN MORNING AND AFTERNOON WORK SESSION OF THREE AND ONE HALF HOURS CONDUCTED BY U.S. DEPUTY ASSISTANT SECRETARIES AND KOREAN ASSISTANT MINISTER.

3. KOREAN DELEGATION SAW NO CONFLICT BETWEEN EFFORT TO BUILD CLOSER COMMERCIAL TIES WITH U.S. AND CURRENT KOREAN DISAPPOINTMENT AT U.S. EXPORT LICENSING SYSTEM. GUF IQUE NLY, MANY TOPICS RELATED TO CONSPICUOUS EFFORTS BOTH SIDES TO ACHIEVE MORE BALANCED TRADE BY INCREAS- ING KOREAN IMPORTS FROM U.S. THESE INCLUDE A U.S. CONFIDENTIAL

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TRADE CENTER, KOREA-AMERICAN ECONOMIC COUNCIL, U.S. MACHINE INDUSTRY CONFERENCE, DEPUTY PRIME MINISTER'S ECONOMIC MISSION TO THE U.S., KOREAN ELECTRONICS MISSION, KENNEDY MISSION, AND OF COURSE, IMPORTANT KOREAN PURCHASING MISSION TO U.S. ALL OF THESE TOPICS WERE QUICKLY DISPOSED OF.

4. U.S. SUGGESTION FOR LIBERALIZATION OF KOREAN

IMPORT RESTRICTIONS, WITH SPECIAL REFERENCE TO IMPORT DEPOSIT SYSTEM, WAS HANDLED IN CURSORY FASHION;; HOWEVER, ASSISTANT MINISTER SUH PROMISED THAT MAJOR CONCESSION IN LIBERALIZATION OF IMPORTS FROM U.S. WOULD BE ANNOUNCED WITHIN ONE MONTH. HE DECLINED TO ELABORATE, BUT SAID U.S. WOULD BE VERY PLEASED WITH THIS DEVELOPMENT.

5. U.S. DELEGATION SUMMARIZED FEATURES OF TRADE REFORM BILL WHICH APPLY TO KOREA INCLUDING GSP. AS EXPECTED, KOREANS FORESAW LITTLE POTENTIAL ADVANTAGE CURRENT FORMULATION OF GSP AND CONSIDERABLE POTENTIAL DISADVANTAGE IN RESTRICTIONS DESIGNED TO PROTECT U.S. FROM TOO RAPID GROWTH OF IMPORTS.

6. INVESTMENT ITEM STIRRED SOME INTEREST WHEN U.S. DELEGATION SUGGESTED THAT NEW KOREAN GOVERNMENT POLICY INSISTING ON EVENTUAL 50-50 CONTROL OVER NEW INVESTMENT ENTERPRISES WAS ACTIVELY DISCOURAGING U.S. INVESTMENT. KOREAN RESPONSE CITED EXCEPTION WHICH WOULD PERMIT FOR PWN MAJORITY HOLDING UP TO LIMIT OF

SEVEN YEARS. BUT U.S. DELEGATION INSISTED THESE CONDITIONS UNSATISFACTORY TO MAJORITY OF POTENTIAL U.S. INVESTORS, INCLUDING SPECIFICALLY U.S. ELECTRONICS INDUSTRY. SUBJECT WAS ABANDONED AT THIS POINT.

7. U.S. COMPLAINT OF RESTRICTIONS ON U.S. MOTION PICTURE IMPORTS DREW INGENIOUS KOREAN RESPONSE THAT CURRENT SYSTEM OF TIGHTLY RESTRICTED IMPORT LICENSES PROTECTS U.S. COMPETITIVE POSITION FROM FLOOD OF KOREAN FILM IMPORTS FROM JAPAN. U.S. DELEGATION CONFIDENTIAL

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STATED THAT U.S. FILM PRODUCERS WOULD WELCOME COMPETITION IN MORE OPEN MARKET AND THAT ISSUE WAS NOT JUST IMPORT LICENSES BUT NEED FOR BREAK IN KOREAN DISTRIBUTION MONOPOLY.

8. TWO TOPICS CONCERNED ISSUES WITHIN JURISDICTION OF ROKG AGENCIES OTHER THAN MCI BUT WERE RAISED BY U.S. AS COMMERCIALY-ORIENTED AND THUS NOTEWORTHY WITHIN MEETING FRAMEWORK. SCOPE OF OPERATIONS OF U.S. INSURANCE COMPANIES WAS ACKNOWLEDGED TO BE MATTER OF PRIMARY CONCERN TO MINISTRY OF FINANCE. U.S. DELEGATION, HOWEVER, RECORDED ITS DISAPPOINTMENT THAT NORMALIZING OF OPERATIONS FOR THIS SEGMENT OF U.S. BUSINESS STILL NOT ACHIEVED DESPITE FACT THAT IT HAD BEEN CONTINUOUSLY ON AGENDA OF COMMERCE

MEETINGS SINCE FIRST MINISTERIAL. COPYRIGHT PROTECTION  
(RESPONSIBILITY OF MINISTRY OF CULTURE AND INFORMATION)  
WAS TAGGED AS ISSUE OF GROWING IMPORTANCE WHICH DE-  
SERVED ROKG ATTENTION IF KOREA IS NOT TO BECOME LATEST  
BOOK PIRATES' PARADISE WITH CONSEQUENCES OF AGGRAVATED  
INJURY TO U.S. PUBLISHERS AND UNFAVORABLE PUBLIC REACTION.

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9. KOREAN SUGGESTION THAT MINISTERIAL TALKS BE  
SUPPLEMENTED BY REGULAR SUBMINISTERIAL TALKS WAS  
PUSHED ONLY LIGHTLY AND PRINCIPALLY BY REPRESENTATIVE  
OF FOREIGN MINISTRY. IT WAS FINALLY AGREED THAT NORMAL  
DIPLOMATIC EXCHANGE COULD HANDLE COMMERCIAL PROBLEMS  
ON A REGULAR BASIS AND THAT THIS COULD BE SUPPLEMENTED  
BY OCCASIONAL VISITS OF SUBMINISTERIAL OFFICIALS OF  
BOTH COUNTRIES AS OPPORTUNITY AROSE. EXAMPLES WERE  
JUNE VISIT OF MCI OFFICE DIRECTOR TO WASHINGTON AND  
MAY VISIT TO SEOUL OF COMMERCE DEPUTY ASSISTANT  
SECRETARY.

10. SUGGESTION OF AMERICAN BUSINESS INSTITUTE TO  
ASSIST GROWTH OF COMMERCIAL UNDERSTANDING WAS RE-  
FERRED TO INFORMAL COMMITTEE OF EMBASSY AND MCI  
OFFICIALS.

11. FINAL AGENDA ITEM WAS NOTATION THAT SIXTH COMMERCE MINISTERS MEETING WOULD BE HELD IN WASHINGTON AT MUTUALLY AGREEABLE TIME. KOREANS THEN RETURNED TO ISSUE OF U.S. EXPORT LICENSING SYSTEM WHICH HAD BEEN REFERRED TO IN OPENING STATEMENT AND POSTPONED WHEN BROUGHT  
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UP AT ASSIGNED PLACE IN AGENDA. KOREAN CHIEF DELEGATE ASKED FOR FULLER DISCUSSION AND MEANINGFUL RESPONSE TO KOREAN REQUEST FOR EXCEPTION. WHEN EXCHANGE ACROSS CONFERENCE TABLE BECAME SOMEWHAT HEATED AND THERE WAS NO EVIDENCE OF POSSIBLE COMPOSITION OF DIFFERENCES, THE U.S. DELEGATION ASKED FOR TEMPORARY RECESS. UPON RESUMPTION IT WAS DECIDED THAT DRAFTING COMMITTEE FROM TWO DELEGATIONS WOULD ATTEMPT TO AGREE ON LANGUAGE SATISFACTORY TO POSITIONS OF BOTH SIDES. COMMITTEE, CONSISTING OF TWO REPRESENTATIVES EACH DELEGATION, WRESTLED WITH PROBLEM FROM 4:00 P.M. THURSDAY UNTIL 3:30 A.M. ON FRIDAY WHEN AGREEMENT EMERGED WITH CONCURRENCE OF PRINCIPALS. AS INDICATED REFTEL, COMMUNIQUE STATED DENT PROMISED TO REVIEW THE SITUATION, TAKING ALL FACTORS INTO ACCOUNT, AND TO USE HIS BEST EFFORTS TO SECURE AN ADEQUATE AND EQUITABLE FLOW OF EXPORTS KEEPING KOREA'S NEEDS IN MIND. KOREAN DELEGATION MAINTAINED THIS COMPROMISE WAS VERY DISAPPOINTING BUT ADMITTED THAT IT MIGHT BE ENOUGH TO HEAD OFF A SUPPOSED KOREAN CRISIS OF CONFIDENCE IN THE U.S.

12. OFFICIAL CALLS TOOK A GOOD DEAL OF SECRETARY DENT'S TIME BUT PROVIDED OPPORTUNITY FOR NUMBER OF DISCUSSIONS OF MATTERS OF SUBSTANCE. FOLLOWING ARRIVAL LUNCHEON, TWO SECRETARIES RECEIVED POLITICAL BRIEFING FROM AMBASSADOR HABIB. SECRETARY DENT THEN PROCEEDED TO EMBASSY FOR BRIEFING BY ECONOMIC AND COMMERCIAL COUNSELORS PRIOR TO HIS AFTERNOON CALLS ON DEPUTY PRIME MINISTER AND PRIME MINISTER.

13. CALL ON DPM TAE WAN SON WAS FIRST DURING WHICH SECRETARY DENT RECEIVED STANDARD ROKG PLEA FOR "SMALL STATEMENT" INDICATING U.S. WOULD RELAX EXPORT LICENSING SYSTEM IN FAVOR OF KOREA AND THUS HEAD OFF INFLATION IN VITAL COMMODITIES FOR WHOSE SUPPLY KOREA IS TOTALLY DEPENDENT ON U.S. SECRETARY DENT RESPONSE WAS MODEL HE EMPLOYED IN RESPONDING TO REITERATED PLEAS FROM OTHER OFFICIALS, FROM KOREAN BUSINESSMEN AND AT PRESS CONFERENCE. HE EMPHASIZED U.S. LICENSING SYSTEM NECESSITATED, NOT BY INCREASED U.S. CONSUMPTION, BUT BY INCREASED EXPORTS.  
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HE INDICATED POSSIBILITY OF RELAXATION WITH BETTER U.S. DOMESTIC SUPPLY SITUATION INCLUDING GOOD FALL CROP. HE EXPRESSED APPRECIATION FOR OPPORTUNITY TO LEARN KOREAN SITUATION FIRST HAND, BUT GAVE NO GROUND ON SPECIAL CONSIDERATIONS. DPM ALSO VOICED HOPE FOR U.S. INVESTMENT IN HEAVY AND CHEMICAL INDUSTRY EXPANSION, AND ASKED FOR STRONG U.S. SALES EFFORT TO MATCH SEPTEMBER KOREAN PURCHASING MISSION. SECRETARY DENT LAUDED KOREAN SUPPORT FOR U.S. EXPORT, PROMISED FULL SUPPORT FOR PURCHASING MISSION, ASKED ASSISTANCE FOR TRADE CENTER IMPORTS, AND URGED ATTENDANCE SPOKANE FAIR.

14. CALL ON PRIME MINISTER KIM CHONG PIL SURFACED SLIGHT VARIATION IN STANDARD ROKG PLEA WHEN PM ACKNOWLEDGED IT NOT POSSIBLE FOR U.S. TO DISCRIMINATE OPENLY IN LIFTING EXPORT LICENSING SYSTEM FOR KOREA BUT SUGGESTED SOME FORM OF "SPECIAL CONSIDERATION" FOR KOREA'S DESPERATE SITUATION. LIKE OTHER KOREAN LEADERS, HE EXPRESSED SURPRISE THAT KOREANS WERE BEING TREATED SAME AS JAPANESE, WHEN JAPANESE COMMODITY MANIPULATION PROBABLY AT THE BOTTOM OF WHOLE PROBLEM. HE ALSO VOICED OFFICIAL LINE OF PREFERENCE FOR U.S. GOODS AND U.S. INVESTMENT OVER JAPANESE. HE ASKED U.S. SUPPORT FOR KOREAN INDUSTRIAL EXPANSION AND POINTED TO NEED FOR ENERGETIC U.S. RESPONSE TO KOREAN PURCHASING MISSION. AFTER REPLYING ON EXPORT LICENSING ISSUE, SECRETARY DENT SAID U.S. WOULD SUPPORT PRIVATE U.S. INVESTMENT IN KOREA ONCE INVESTMENT DECISION HAD BEEN MADE, PROMISED FULL COMMERCE FIELD OFFICE SUPPORT FOR PURCHASING MISSION, AND MENTIONED NEED FOR RELAXATION OF CONTROLS ON U.S. MOTION PICTURE IMPORTS.

15. CALL ON MINISTER OF COMMERCE AND INDUSTRY YI NAK SUN PRIOR TO FORMAL OPENING OF MEETING WAS SCHEDULED AS BRIEF COURTESY CALL BUT RESULTED IN FORTY MINUTE EXCHANGE COVERING MANY AGENDA ITEMS AS WELL AS OTHER TOPICS. MINISTER SAID ALL KOREANS LOOKING AT CON- FERENCE TO PROVIDE RELIEF FROM U.S. LICENSING SYSTEM, PARTICULARLY ON SCRAP WHICH HE HOPED COULD BE PURCHASED IN FUTURE ON LONG-TERM CONTRACT. SECRETARY REPLIED THAT

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SCRAP CONTRACTS NORMALLY SHORT-TERM, BUT HE WOULD DIS- CUSS MATTER WITH SCRAP INSTITUTE IN PREPARATION FOR

KOREAN PURCHASING MISSION. SECRETARY RAISED ADVANCED  
IMPORT DEPOSIT BARRIER TO IMPORTS FROM U.S. AND  
MINISTER SAID MODIFICATION WAS UNDER STUDY. SECRETARY  
CAUTIONED MINISTER ON NEED FOR RESTRAINT ON MUSHROOM  
EXPORTS AND MINISTER SAID HE WOULD CONFER WITH MINISTER  
OF AGRICULTURE AND FISHERIES. SECRETARY POINTED TO  
NEED FOR FACILITATION OF IMPORTS RELATIVE TO U.S. TRADE  
CENTER, AND MINISTER "GUARANTEED" HE WOULD ARRANGE THIS  
WITH FINANCE MINISTER. IN RESPONSE TO MINISTER'S  
REQUEST FOR SUPPORT OF KOREAN PURCHASING MISSION,  
SECRETARY PROMISED PUBLICITY THROUGH NATIONAL  
ASSOCIATION OF MANUFACTURERS AND U.S. CHAMBER OF  
COMMERCE. WH  
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16. CALL ON MINISTER OF FINANCE WAS SIGNIFICANT  
BECAUSE OF LARGE NUMBER OF COMMERCIAL ISSUES LYING  
EXCLUSIVELY WITHIN MINISTER'S DOMAIN.  
AFTER DISPOSING OF U.S. LICENSING ISSUE, SECRETARY WENT  
ON TO EXPLAIN THAT USG COULD NOT SOLICIT U.S. INVEST-  
MENT IN KOREA BUT COULD ASSIST INVESTORS AND WOULD  
AID THE FORTHCOMING KENNEDY MISSION. SECRETARY  
POINTED OUT IMPORTANCE OF U.S. BRANCH BANKING IN  
SUPPORT OF U.S. TRADE AND INVESTMENT BUT MINISTER  
MADE NO PROMISES OF ANY EARLY EXTENSION OF U.S.  
BANKING ACTIVITY. IN RESPONSE TO SECRETARY'S REQUEST  
FOR WIDER SCOPE OF ACTIVITY FOR U.S. INSURANCE FIRMS,  
MINISTER USED AGRUMENT THAT KOREAN INSURANCE FIRMS  
WERE INFANTS COMPARED TO POWER REPRESENTED  
BY U.S. FIRMS BUT PROMISED TO REVIEW MATTER. THE

MINISTER PROMISED TO FACILITATE CUSTOMS CLEARANCE OF U.S. GOODS IN RELATION TO THE TRADE CENTER. THE NEED FOR BONDED WAREHOUSE FACILITIES FOR FLYING TIGER AIRLINES WAS RAISED BY THE SECRETARY, AND THE MINISTER REPLIED THAT IT WOULD DEPEND ON THE AVAILABILITY OF SPACE AT THE AIRPORT. THE MINISTER CLOSED BY STATING ROKG WAS CONSIDERING SHIFTING FROM CIF TO FOB BASIS

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FOR IMPORT DEPOSITS AND THAT, IF THIS COULD BE WORKED OUT, IT WOULD HELP MAKE U.S. GOODS MORE COMPETITIVE.

17. CALL ON PRESIDENT PARK WAS MADE JOINTLY WITH SECRETARY ROGERS. PRESIDENT OPENED BY REITERATING ROKG POLICY OF INCREASING IMPORTS FROM U.S. TO ACHIEVE MORE BALANCED TRADE. HE THEN POINTED TO KOREAN DEPENDENCE ON RAW MATERIAL IMPORTS AND STATED THAT WHENEVER THERE IS ECONOMIC COLLISION BETWEEN U.S. AND JAPAN, KOREA GETS HURT. SECRETARY DENT EXPRESSED REGRET FOR TEMPORARY U.S. CONTROLS REQUIRED BECAUSE OF SURGE OF EXPORTS. HE WENT ON TO EXPRESS APPRECIATION FOR ROKG POLICY OF INCREASING IMPORTS FROM U.S., PROMISED SUPPORT FOR KOREA PURCHASING MISSION, AND POINTED TO SUPPORT TRADE CENTER WOULD PROVIDE FOR U.S. MARKETING EFFORT IN KOREA. ON INVESTMENT, SECRETARY DENT DESCRIBED LIMITATIONS ON USG SUPPORTIVE ROLE AND SUGGESTED THAT U.S. INVESTMENT MOST LIKELY TO MOVE INTO ECONOMIES WITH OPEN TRADING PATTERNS.

18. SCHEDULED EVENTS BESIDES MEETING AND OFFICIAL CALLS INCLUDED OPPORTUNITIES FOR SECRETARY DENT TO MEET WITH KOREA BUSINESS LEADERS AT COMMERCIAL COUNSELOR'S RECEPTION AND BREAKFAST SPONSORED BY KOREA-U.S. ECONOMIC COUNCIL. DURING LATTER, FOUR LEADERS OF KOREAN BUSINESS ORGANIZATIONS FOLLOWED ONE ANOTHER IN SPECIAL PLEADING FOR RELIEF FROM U.S. EXPORT LICENSING SYSTEM. IN RESPONSE SECRETARY REMINDED THEM THAT ANY ALLIANCE AS CLOSE AS KOREA-AMERICAN ALLIANCE HAS TRANSITORY PROBLEMS, BUT IT IS INCUMBENT ON PARTICIPANTS TO RETAIN LONG VIEW OF CONTINUING BENEFITS OF ALLIANCE.

19. DINNER FOR SECRETARY DENT BY MCI MINISTER WAS GRANDIOSE AFFAIR AT GOVERNMENT GUEST HOUSE FOR NEARLY ONE HUNDRED GUESTS. PRESIDENT GAVE LUNCH FOR TWO SECRETARIES, AND PRIME MINISTER SPONSORED SEMI-FORMAL DINNER FOR TWO SECRETARIES AND THEIR WIVES AT LARGEST KOREA RESTAURANT WITH KISAENG AS HOSTESSES. SECRETARY'S LUNCH FOR KOREAN DELEGATION AT AMBASSADOR'S RESIDENCE WAS CORDIAL

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OCCASION AGAINST BACKGROUND OF CONTINUED CLOSE AND FRIENDLY INTERCHANGE WHICH WAS FEATURE OF WHOLE CONFERENCE AND RELATED EVENTS.

20. VISITS TO PRINTING PLANT WITH LARGE U.S. PRESSES AND SIGNETICS SEMI-CONDUCTOR PLANT GAVE SECRETARY DENT VIEW OF TWO INTERESTING ASPECTS OF LOCAL INDUSTRY. AT SIGNETICS PLANT, U.S. MANAGEMENT VOICED FRUSTRATION AT APPLICATION OF 50/50 INVESTMENT POLICY TO PLANT EXPANSION.

21. MEDIA COVERAGE WAS THOROUGH AND GENERALLY ACCURATE

THROUGHOUT VISIT. PRESS AND TC WERE FULL OF NEWS OF VISIT OF TWO SECRETARIES, WITH SECRETARY OF STATE'S ACTIVITIES AND VIEWS TENDING TO DIVERT ATTENTION FROM AND REDUCE HEAT OF ISSUE OF SECRETARY DENT'S RESPONSE TO KOREA'S DESIRE FOR EXCEPTION FROM U.S. EXPORT LICENSING SYSTEM. SECRETARY DENT'S FACILITY FOR EXCELLENT IMPROMPTU REMARKS MADE HIM VERY QUOTABLE AND RENDERED UNNECESSARY MANY PREPARED STATEMENTS, TOASTS, ETC. PRESS CONFERENCE AT CONCLUSION OF FORMAL MEETINGS WAS WELL ATTENDED. SECRETARY'S REVIEW OF CIRCUMSTANCES OF U.S. EXPORT LICENSING SYSTEM AND HIS INSISTENCE THAT SITUATION WAS TEMPORARY WERE WELL REPORTED IN MEDIA AND EDITORIAL COMMENT EXPRESSED TENERALLY MILD DIS-APPOINTMENT AT FAILURE TO PROMISE TO DO ANYTHING SPECIAL FOR KOREA.

22. AFTERMATH OF MEETING WILL PROVIDE UNIQUE OPPORTUNITY TO MOVE FORWARD ACROSS BROAD FRONT OF COMMERCIAL ISSUES WHICH HAVE BEEN SHARPLY DEFINED IN AGREEMENT BETWEEN EMBASSY AND COMMERCE AND RAISED AT HIGH LEVEL WITHIN FRAMEWORK OF INTERMINISTERIAL. NO ISSUES OF SUBSTANCE WERE RESOLVED AT MEETING ITSELF, BUT EXCHANGE OF VIEWS HAS ESTABLISHED BORDERS OF SETTLEMENT FOR NUMBER OF THESE ISSUES. WE WILL CONSEQUENTLY ESTABLISH PRIORITIES WITHIN LIST AND SEEK OPPORTUNITY TO PRESS FOR SOLUTIONS AT APPROPRIATE LEVELS.

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